

MICHIGAN ECONOMIC INDICATORS

A monthly newsletter on key economic indicators prepared by the Senate Fiscal Agency.

ECONOMIC HIGHLIGHTS



United States

- The advance estimate of **inflation-adjusted Gross Domestic Product** showed growth of 1.4% in the 4th quarter of 2000, the slowest rate since the 2nd quarter of 1995. Although inflation-adjusted personal consumption expenditures posted 2.9% growth in the 4th quarter, expenditures on durable goods fell 3.4%. Increases in government spending and nonresidential investment were largely offset by slowdowns in all other investment categories, including residential investment, and exports. Inventories declined for the second consecutive quarter.
- **Motor vehicle sales** fell 6.6% between November and December, leaving December sales 12.1% below the level one year ago. Sales of heavy trucks rose slightly, reversing three months of declines, but were 25.9% below year-ago levels. Increased sales of imported automobiles helped offset the decline in sales of domestic vehicles and imported light trucks, with December sales of domestic automobiles 18.6% below year-ago levels, compared with a 16.7% increase for imported automobiles. Sales of domestic light trucks were 12.8% below year-ago levels, while sales of imported light trucks were 1.6% lower.
- The **U.S. consumer price index (CPI)** declined slightly in December, the first decline since December 1998. For 2000, the CPI rose 3.4%, the highest rate since 1991 when the CPI rose 4.2%. Prices in 2000 rose the most in the energy, health care and housing sectors, while average apparel prices fell 1.3%, the second consecutive year they declined.
- **Retail sales** rose 0.1% in December, reversing two months of declines, and were 3.4% above the level a year ago. Gasoline service stations posted the largest decline in sales in December, reflecting lower motor fuel prices, while furniture stores and general merchandise stores also reported declines. Apparel, motor vehicles, food stores, and building materials stores all posted sales increases between November and December.

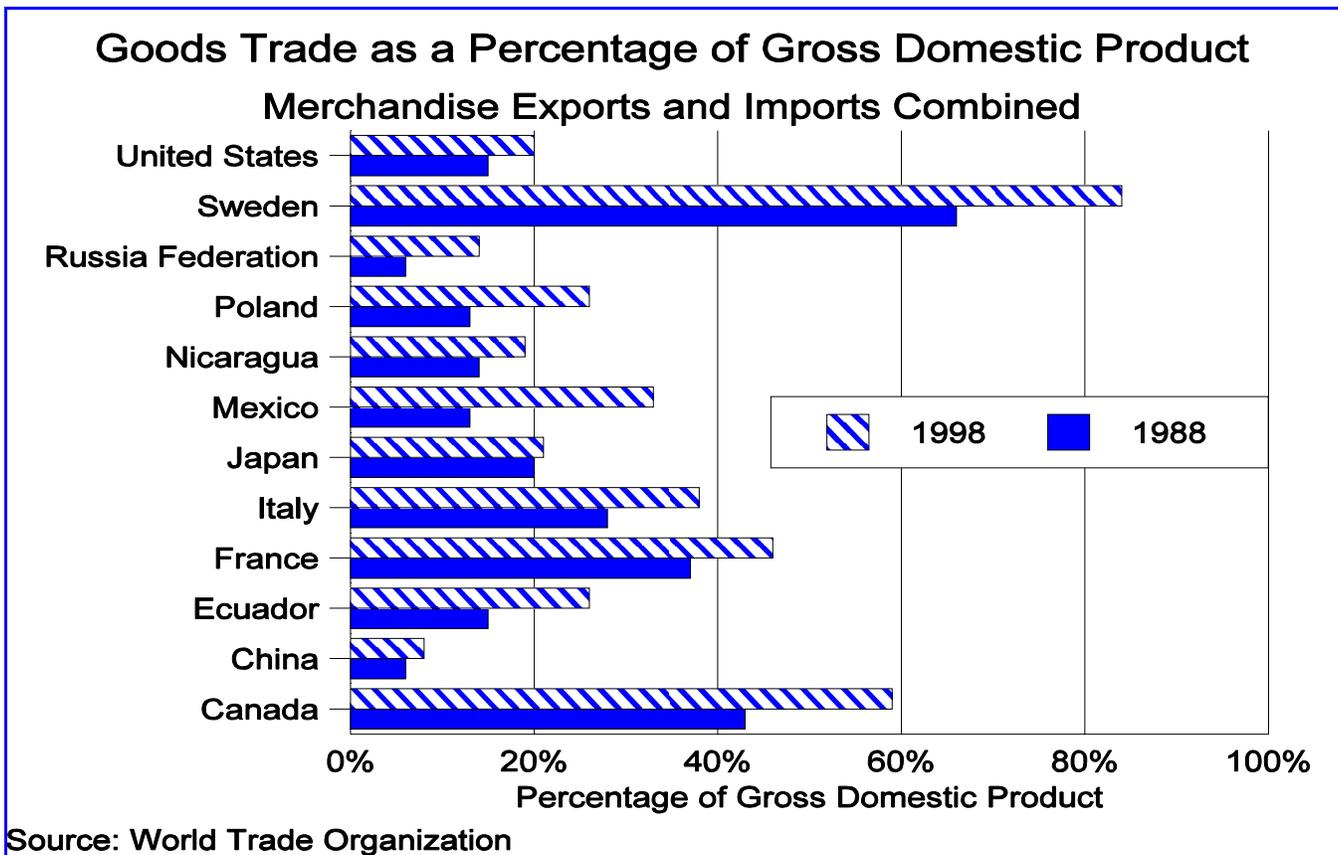


Michigan

- **Michigan's unemployment rate** increased from 3.6% to 3.9% between October and November, on a seasonally adjusted basis, and was above the 3.7% rate in November 1999. The monthly increase in the unemployment rate reflected an increase in the number of people in the labor force, as well as a lower level of total employment.
- **Average weekly earnings** were above year-ago levels in most sectors in November, while **average weekly hours** were down in most sectors. Construction employment posted the largest decline in both hours and earnings, with hours down 10.1% and earnings down 6.3% from year-ago levels. Food stores posted the largest increase in both hours and earnings, with hours up 4.5% and earnings 10.9% above year-ago levels.
- **Michigan wage and salary employment** in November was 1.8% above the level one year ago, mostly as a result of employment gains in the retail trade, services, and government sectors. Employment in the manufacturing and finance, insurance, and real estate sectors fell between October and November and was below year-ago levels. Services employment was up 3.5% from November 1999, while manufacturing employment was down 0.6%.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally Adjusted, Thousands)							
U.S.	Dec.	Nov.	Dec.	Change From Nov.		Change From Year Ago	
	2000	2000	1999	Number	Percent	Number	Percent
Labor Force	141,489	141,136	140,185	353	0.3%	1,304	0.9%
Employment	135,836	135,478	134,498	358	0.3	1,338	1.0
Unemployment	5,653	5,658	5,687	(5)	(0.1)	(34)	(0.6)
Unemployment Rate	4.0%	4.0%	4.1%	---	---	---	---
Michigan	Nov.	Oct.	Nov.	Change From Oct.		Change From Year Ago	
	2000	2000	1999	Number	Percent	Number	Percent
Labor Force	5,161	5,154	5,116	7	0.1%	45	0.9%
Employment	4,962	4,967	4,929	(5)	(0.1)	33	0.7
Unemployment	200	188	187	12	6.4	12	6.6
Unemployment Rate	3.9%	3.6%	3.7%	---	---	---	---

Source: Bureau of Labor Statistics, U.S. Department of Labor



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally Adjusted, Thousands)							
	Nov.	Oct.	Nov.	Change from Oct.		Change from Yr Ago	
	2000*	1999	1999	Number	Percent	Number	Percent
Wage and Salary Employment	4,618	4,610	4,576	8	0%	42	1%
Goods Producing Industries	1,169	1,162	1,170	7	1	(1)	(0)
Mining	6	7	7	(1)	(14)	(1)	(14)
Construction	198	196	192	2	1	6	3
Manufacturing	964	959	971	5	1	(7)	(1)
Durable Goods	731	725	734	6	1	(3)	(0)
Motor Vehicles & Equipment	274	274	282	0	0	(8)	(3)
Nondurable Goods	233	234	237	(1)	(0)	(4)	(2)
Service Producing Industries	3,449	3,448	3,405	1	0	44	1
Trans., Comm. & Utilities	177	177	177	0	0	0	0
Wholesale Trade	238	237	234	1	0	4	2
Retail Trade	856	857	847	(1)	(0)	9	1
Finance, Insurance & Real Estate	208	208	210	0	0	(2)	(1)
Services	1,290	1,287	1,269	3	0	21	2
Government	681	680	669	1	0	12	2

Source: Michigan Department of Career Development - Employment Service Agency * Preliminary

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS (Not Adjusted For Seasonal Variations)						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Nov. 2000	Year Ago	Percent Change	Nov. 2000	Year Ago	Percent Change
Mining	46.8	46.0	1.7%	\$785.77	\$773.72	1.6%
Construction	36.4	40.5	(10.1)	796.80	850.10	(6.3)
Manufacturing	43.2	44.1	(2.0)	856.22	816.73	4.8
Durable Goods	43.6	44.5	(2.0)	927.81	874.87	6.1
Motor Vehicles & Equipment	46.2	45.3	2.0	1,266.80	1,145.64	10.6
Nondurable Goods	41.7	43.0	(3.0)	623.83	633.39	(1.5)
Wholesale Trade	39.5	39.4	0.3	716.14	695.02	3.0
Selected Retail Trade:						
General Merchandise Stores	26.9	27.3	(1.5)	275.46	270.54	1.8
Department Stores	26.4	26.9	(1.9)	271.13	267.92	1.2
Food Stores	25.8	24.7	4.5	227.56	205.26	10.9
Auto Dealers & Service Stations	34.2	33.5	2.1	403.90	431.82	(6.5)
Selected Services:						
Depository Institutions	35.0	34.2	2.3	384.30	368.33	4.3
Business Services	33.1	34.5	(4.1)	501.13	482.31	3.9
Health Services	32.6	32.0	1.9	524.86	515.84	1.7
Engineering & Management	37.4	38.1	(1.8)	706.86	707.90	(0.1)

Source: U.S. Department of Labor, Bureau of Labor Statistics

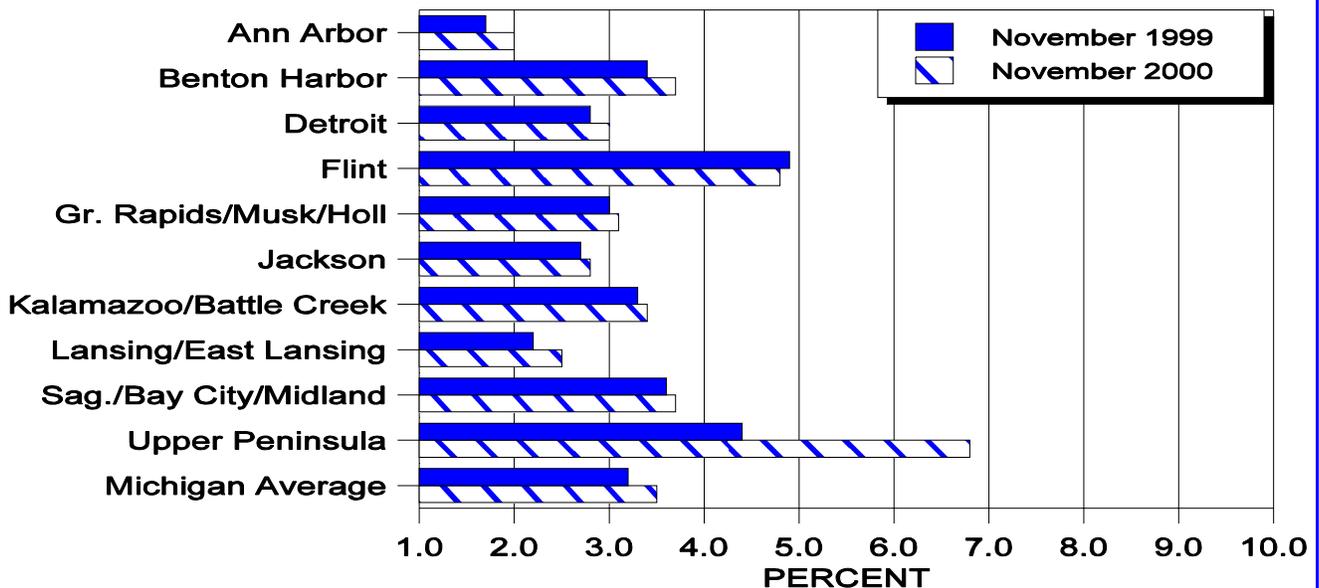
**MICHIGAN UNEMPLOYMENT RATES
 BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS
 (Not Adjusted for Seasonal Variations)**

	Nov. 2000*	Oct. 2000	Sept. 2000	Nov. 1999
Metropolitan Statistical Areas				
Ann Arbor	2.0%	1.8%	2.0%	1.7%
Benton Harbor	3.7	3.4	3.5	3.4
Detroit	3.0	3.0	3.3	2.8
Flint	4.8	5.0	5.3	4.9
Grand Rapids	3.1	2.9	3.1	3.0
Jackson	2.8	2.6	2.7	2.7
Kalamazoo-Battle Creek	3.4	3.1	3.3	3.3
Lansing-East Lansing	2.5	2.2	2.4	2.2
Saginaw-Bay City-Midland	3.7	3.2	3.5	3.6
Multi-County Areas				
Alcona-Iosco	8.8	6.2	6.1	6.6
Grand Traverse-Leelanau	4.5	3.1	3.1	3.3
Houghton-Keweenaw	5.8	3.1	2.9	3.9
Missaukee-Wexford	6.4	5.7	5.5	4.9
Upper Peninsula	6.8	4.1	4.3	5.5
Michigan Statewide Average				
--Unadjusted (comparable to figures shown above)	3.5	3.1	3.3	3.2

Source: Michigan Department of Career Development - Employment Service Agency

* Preliminary

**Michigan Regional Unemployment Rates
 November 1999 and 2000**



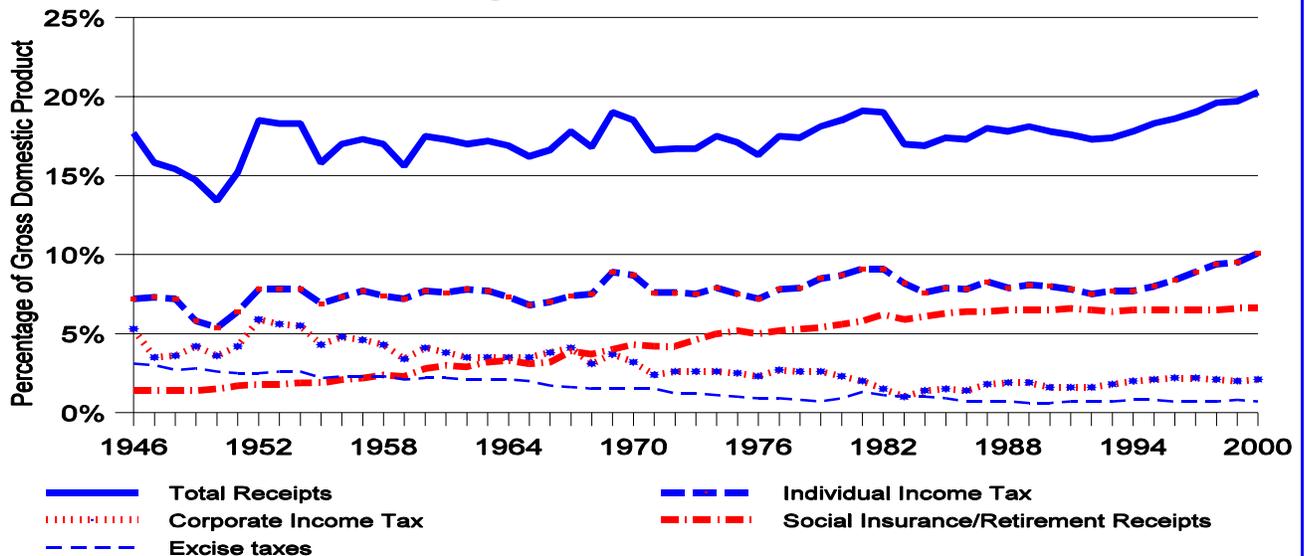
Source: Michigan Department of Career Development - Employment Service Agency

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS
(Thousands of Units)

	Dec. 2000	Nov. 2000	Oct. 2000	Sept. 2000	Year Ago Nov.	Percent Change From:	
						Dec./Nov.	Dec. 2000/ Dec. 1999
Motor Vehicle Sales^{1,2)}							
Autos	7,848	8,477	8,535	8,879	8,866	(7.4)%	(11.5)%
Domestics	5,759	6,457	6,562	6,792	7,076	(10.8)	(18.6)
Imports	2,089	2,020	1,973	2,087	1,790	3.4	16.7
Import Share	26.6%	23.8%	23.1%	23.5%	20.2%	---	---
Light Trucks	7,458	7,963	8,226	8,883	8,441	(6.3)	(11.6)
Domestics	6,603	7,095	7,435	8,033	7,572	(6.9)	(12.8)
Imports	855	868	791	850	869	(1.5)	(1.6)
Import Share	11.5%	10.9%	9.6%	9.6%	10.3%	---	---
Heavy Trucks	492	481	495	525	664	2.3	(25.9)
Total	15,798	16,921	17,256	18,287	17,971	(6.6)	(12.1)
U.S. Motor Vehicle Production^{1,2)}							
Autos	4,762	4,975	5,332	5,497	5,662	(4.3)	(15.9)
Michigan Motor Vehicle Production^{2,3)}							
Autos	1,398	1,612	1,645	1,648	1,452	(13.3)	(3.7)
Trucks	909	1,014	1,153	1,124	1,258	(10.3)	(27.7)
Total	2,308	2,626	2,798	2,772	2,710	(12.1)	(14.9)
Michigan Production as % of U.S.	22.4%	22.5%	22.3%	23.0%	22.4%	---	---
U.S. Motor Vehicle Inventories⁴⁾							
Total Car	1,756	1,702	1,558	1,521	1,635	3.2	7.4
Days Supply	70	69	59	50	62	1.4	12.9
Total Truck	2,046	2,086	2,005	1,894	1,826	(1.9)	12.1
Days Supply	83	84	80	66	66	(1.2)	25.8

Sources: 1) U.S. Department of Commerce, Bureau of Economic Analysis. 2) SAAR = Seasonally Adjusted at Annual Rates. 3) Michigan Department of Treasury, Office of Revenue and Tax Analysis and the Senate Fiscal Agency. 4) Automotive News, Crain Communications, Inc. (ending inventory)

Components of Federal Revenues
As a Percentage of Gross Domestic Product



Source: Office of Management and Budget, Executive Office of the President of the United States

OTHER KEY ECONOMIC INDICATORS

Variable	Latest Period	Actual Data			Percent Change From:	
		Latest Period	Previous Period	Year Ago	Previous Period	Year Ago
Composite Index of Leading Indicators¹⁾ (1992=100, seasonally adjusted)	December	108.3	109.0	110.3	(0.6)%	(1.8)%
Composite Index of Coincident Indicators¹⁾ (1992=100, seasonally adjusted)	December	116.6	116.5	113.9	0.1	2.4
Housing Starts, U.S.²⁾ (thousands of units, SAAR)	December	1,575	1,570	1,769	0.3	(11.0)
Retail Sales, U.S.²⁾ (billions, seasonally adjusted)	December	\$271.3	\$271.2	\$262.4	0.1	3.4
Industrial Production Index³⁾ (1992=100)	December	147.3	148.1	142.8	(0.5)	3.2
Consumer Price Index⁴⁾ (1982-84=100)						
U.S.	December	174.0	174.1	168.3	(0.1)	3.4
Detroit	December	171.7	171.9	165.9	(0.1)	3.5
Interest Rates³⁾						
3-month Treasury Bill	December	5.83%	6.19%	5.07%	---	---
Corporate Aaa Bonds	December	7.21%	7.45%	7.36%	---	---
Real Gross Domestic Product⁵⁾ (billions of 1996 \$, SAAR)	2000 4th Qtr.	\$9,401.5	\$9,369.5	\$9,084.1	1.4	3.5
Michigan Tax Collections⁶⁾ (12 major taxes, millions)	Jan. 2001	\$2,059.6	\$1,451.9	\$1,987.4	NM	3.6

SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.
Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.

Sources: 1) Conference Board. 2) U.S. Department of Commerce, Bureau of the Census. 3) Board of Governors of the Federal Reserve System. 4) U.S. Department of Labor, Bureau of Labor Statistics. 5) U.S. Department of Commerce, Bureau of Economic Analysis. 6) Michigan Department of Treasury and the Senate Fiscal Agency.

Total Motor Vehicle Sales

